NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88-198(R) Texas Paid-Up (2/93)

OIL, GAS AND MINERAL LEASE (PAID-UP LEASE)

THIS AGREEMENT made this 22nd	day of	January	,20	09 , betw	ween
Daniel Lombardo, and wife, Kirsten Lombardo					
				 	
974 TL C D D T 7		Lessor (whether one or more) w	hose address is		
874 Thomas Crossing Drive, Burleson, Texas 7		- Due du etien Come	- I D		
P.O. Box 450, Decatur, Texas 76234	and Devon Ener	gy Production Comp		e; whose address is	š
		***************************************	NESSETH:		
I. Lessor in consideration of Ten or more Dollars, in hand paie exclusively unto Lessee the lands subject hereto for the purpose of investigat and their respective constituent elements) and all other minerals, (whether or surveys, injecting gas, water and other fluids and air into subsurface strata, building roads, tanks, power stations, telephone lines and other structure Tarrant County, Texas,	ting, exploring, prospecting r not similar to those ment , establishing and utilizing	g, drilling and mining for and p ioned) and the exclusive right t g facilities for the disposition of	roducing oil, gas (including all) o conduct exploration, geologic of salt water, laying pipelines, t	gases, liquid hydroc and geophysical te tousing its employe	carbons ests and ees and
0.303 acres of land, more or less, situated in the 21, Block 16, Thomas Crossing, an addition the thereof recorded in Cabinet A, Slide 4473 & 4	to the City of For	t Worth, Tarrant Co	ounty, Texas accordi		
SEE EXHIBIT "A" ATTACHED HERETO A	AND MADE A P	ART HEREOF FOF	R ADDITIONAL PR	OVISIONS.	٠.
This lease also covers and includes all land owned or claimed by Lessor as surveys, although not included within the boundaries of the land particularl execute any lease amendment requested by Lessee for a more complete purpose of calculating any payments hereinafter provided for, said Land is extensee requests a lease amendment and same is filed of record.	ly described above. The late or accurate description of stimated to comprise	and covered by this lease shall of said Land and such amendme 3.303 acres, who	be hereinafter referred to as sa ent shall include words of preser ether it actually comprises more	id Land. Lessor ag nt lease and grant. I re or less until such	grees to For the time as
2. Subject to the other provisions herein contained and without references shall be for a term of five (5) years from this date (called "primary term land with which said Land is pooled hereunder. The word "operations" as a drilling, testing, completing, reworking, recompleting, deepening, plugging to other actions conducted on said lands associated with or related thereto.	n") and as long thereafter a used herein shall include t back or repairing of a well	s oil, gas, or other minerals is p out not be limited to any or the in search for or in an endeavor	reduced from or operations are following; preparing drillsite to to obtain production of oil, gas	conducted on said I scation and/or access or other minerals a	Land or ss road, and any
3. The royalties to be paid by Lessee are: (a) on oil delivered at the woll produced and saved from said Land; Lessee may from time to time purch date of purchase or Lessee may sell any royalty oil in its possession and pay the cost of treating the oil to render it marketable pipeline oil or, if there is nall gases, processed liquid hydrocarbons associated therewith and any other used off the premises or for the extraction of gasoline or other product the exceed the amount received by Lessee for such gas computed at the mouth of from such sale, it being understood that Lessor's interest shall bear one-eigh at the wells; (c) on all other minerals mined and marketed, one-tenth either participating royalty interests, in said Land, whether or not owned by Lesso set forth herein. Lessee shall have free use of oil, gas and water from said injection and secondary recovery operations, and the royalty on oil and gas sild. If at the expiration of the primary term or at any time or times after or land or leases pooled therewith but oil or gas is not being sold or used (unless released by the Lessee), and it shall nevertheless be considered that of Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit	lase any royalty oil in its p. Lessor the price received to available pipeline, Lessor respective constituent elementor, the market value of the well, and provided finth of the cost of all comprin kind or value at the well or and whether or not effect a Land, except water from thall be computed after dedor the primary term herein, and this lease is not then oil and/or gas is being prod	ossession, paying the market proby the Lessee for such oil compor's interest shall bear one-eight ments, casinghead gas or other at the well of one-eighth of the urther on gas sold at the wells the session, treating, dehydrating art or mine, at Lessec's election. titley pooled by Lessee pursua Lessor's wells, in all operation ucting any so used, there is a well or wells capable being maintained by production uced from said Land within the	ice therefor prevailing for the fi outed at the well; Lessor's intere th of the cost of all trucking cha gaseous substance, produced fi e gas so sold or used provided the royalty shall be one-eighth of ad transporting costs incurred in Any royalty interests, including and the provisions hereof, shall ns which Lessee may conduct the e of producing oil or gas in paying, operations or otherwise, this	eld where produced sest shall bear one-ei arges; (b) on gas, in rom said Land and the market value sl f the net proceeds re marketing the gas g, without limitatio ll be paid from the hereunder, including mg quantities on sais lease shall not ter n. However, in this	d on the ighth of neluding I sold or shall not received is so sold on, non-croyalty ng water tid Land rminate,
•		······································	e as the depository bank for all		
hereunder regardless of changes in ownership of said land or shut-in royalty provided however, in the event said well is located on a unit comprised of all each acre of said Land included in such unit on which said shut-in well is loc fail or refuse to accept such payment, Lessee shall re-tender such payment we to receive such payment or tenders. Such shut-in royalty payment shall be completion of such well, or (c) the date on which oil or gas ceases to be sold (e) the date the lease ceases to be otherwise maintained, whichever be the la manner and upon like payments or tenders on or before the next ensuing a periods of one (1) year each until such time as this lease is maintained by proyalty payment shall not be required or, if a shut-in royalty payment is tender payment regardless of how many times actual production may be comment tender any such sum as shut-in royalty shall render Lessee liable for the amount or market the minerals capable of being produced from said wells, but in the ordinary lease facilities of flowline, separator, and lease tank, and shall not be tenders royalty or shut-in royalty as hereinabove provided, two (2) or more provided, pay or tender such royalty or shut-in royalty, in the manner above as Lessee may elect.	y payments) a sum determ Ill or a portion of said Land cated. If such bank (or any ithin thirty (30) days follo a due on or before the expit or used, or (d) the date thin the date. It is understood a anniversary of the due date production or operations. dered, no additional shut-in ced and shut-in during such count due but it shall not op the exercise of such diligence the required to settle labor the parties are, or claim to the specified, either jointly to	ined by multiplying one dollar and other land or leases a sum successor bank) should fail, lic wing receipt from Lessor of a pration of ninety (90) days after a lease is included in a unit on and agreed that no shut-in royal e for said payment, the Lessee However, if actual production or payment will be due until the chone (1) year period. Lessee erate to terminate this lease. Les, Lessee shall not be obligated rouble or to market gas upon te be, entitled to receive same, Le such parties or separately to ea	(\$1.00) per acre for each acre to determined by multiplying one quidate, or be succeeded by anotorper recordable instrument nant (a) the expiration of the prima which a well has been previously payments shall be due during shall continue to pay such shu commences within the applicable next ensuing anniversary of the statement of the payer of the payer of the same agrees to use reasonable do to install or furnish facilities, of the payer of the	then covered by this dollar (\$1.00) per a ther bank or for any ning another bank a try term, or (b) the y completed and shig the primary term. the royalty for successed and the property or timely diligence to produce, there than well facility at any time Lessee method of payment sective ownerships to	is lease, acre for y reason as agent e date of hut-in or . In like eccessive a shut-in tendered y pay or e, utilize ities and e pays or at herein thereof,
5. (a) Lessee shall have the right and power in its discretion to post covered by this lease or with other land, lease or leases in the vicinity thereo one or more of said substances, and may be exercised at any time and from drilled. Pooling in one or more instances shall not exhaust the rights of Les not conform in size or area with units as to any other stratum or strata, and a acres each in area plus a tolerance of 10% thereof, and units pooled for gas he governmental authority having jurisdiction prescribe or permit the creation or permitted by governmental regulations. The pooling for gas hereunder by as may be produced with the unitized gas, and the royalty interest payable execute in writing an instrument or instruments identifying and describing t acreage is located. Such pooled unit shall become effective as of the date such unit shall become effective on the date such instrument or instruments any time and from time to time after the original forming thereof by filing established in accordance with the terms hereof shall constitute a valid and executive mineral, royalty, non-participating royalty, overriding royalty or Lessee shall be under no duty to obtain an effective pooling of such other of from any part of the pooled unit which includes all or a portion of said Land this lease or the date of the instrument designating the pooled unit, shall be Land whether or not the well or wells be located on said Land. The product not as production from a gas pooled unit; and production from a gas well to pooled unit. In lieu of royalties above specified, Lessor shall receive on prothe unit bears to the total acreage so pooled in the unit involved, subject to the	of. The above right and pontine to time during or affect of pool said Land or poil units need not conform nereunder shall not substant of units larger than those sy Lessee shall also pool and to Lessor thereon shall be the pooled acreage and file provided for in said instruares of filed for record. As an appropriate instrument effective pooling of the ir leasehold interests in largustanding interests in largustanding interests in largustanding interests in largustanding from an oil well will will be considered as proceed duction from a unit so pool	wer to pool and unitize may be ter the primary term, and befor ortions thereof into other units. as to area with gas units. Units tially exceed in area 640 acres a pecified, units thereafter created unitize all associated liquid he computed the same as on gas same for recording in the officinent or instruments, but if sainly unit so formed may be re-for of record in the County in whaterests of Lessor and Lessee he dis within the boundary of any the properties of the production of the royal seconsidered production from the lease or gas peled only such portion of the roy led	exercised with respect to oil, gase or after a well has been drille. Units formed by pooling as to a pooled for oil hereunder shall teach, plus a tolerance of 10% the draw conform substantially in ydrocarbons and any other response. With respect to any such unce of the County Clerk in the ord instrument or instruments may much increased or decreased, a ich said pooled acreage is locaterunder regardless of the existery pooled unit. Operations on or plus or such production was secured ites, as operations on or product the lease or oil pooled unit from which it is proceatly stipulated herein as the ame	is or other minerals, id, or while a well i any stratum or stratum or stratum or stratum or stratum or substantially excereof, provided that size with those preceive constituent elective constituent election of Leted. Any such poole the reduction of oil and before or after the tion of oil or gas from which it is production of oil or gas from which it is production of said Land production said Land said Land production said Land production said Land production said Land production said said Land production said said said said said said said said	s, or any is being atta need to coed 80 out should escribed elements see shall dipoled ion, then essee, at old unit ral, non-terewith ad/or gase e date of rom said cing and m an oil blaced in the collection of

32 148217 such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said country at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased,

- Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as bugh such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.
- 6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease premises which remains in force and on which Lessee continues to conduct operations.
- 7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more that ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses
- Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow
- depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.

 9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment
- thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

 10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termin 10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created bereby, nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify be considered in constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder and capable of broducing oil in paying quantities and one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities
- ge tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

 11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part; and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.
- 12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas the reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.
- (b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligen wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.
- (c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall ninated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, not be termin Rule or Regulation.

this lease shall be bi	se states the entire contract between the parties inding upon each party executing the same and NESS WHEREOF, this instrument is executed	their successors, heirs, and a	ssigns, regardless of whether	penalt of ether party shall be blidding unless to or not executed by all persons above named as "	Lessor".
<u> </u>			V		31 4.2
Daniel Lombardo		LESSOR	Kirsten Lombardo		LESSOR
		LESSOR		1	LESSOR
STATE OF	TEXAS	§			
COUNTY OF	TARRANT				
This instrument was	s acknowledged before me on	5-900d	by Dar	niel Lombardo and wife,	
Kirsten Lom	bardo				
			Notary Signature:		
			Printed Name:	Amy Goldsmith	
an Francisco	AMY GOLDSMITH Notary Public, State of Texas		Notary Public, State of	TEXAS	/
i i i	My Commission Expires August 21, 2010		My Commission Expires:	August 21, 2010	

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 22nd day of January, 2009 by Daniel Lombardo and wife, Kirsten Lombardo, as Lessor and Devon Energy Production Company, L.P., as Lessee.

- 1. <u>Royalty</u>: Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth" (1/8th) appears in the printed portion of this lease the same is hereby amended to read "twenty-five percent" (25%).
- 2. <u>Term</u>: Notwithstanding anything contained in the Lease to the contrary, in Paragraph 2, the primary term is hereby amended to read "Two (2) years" and the words "Five (5) years" shall hereby be deleted.
- 3. <u>Costs.</u> It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, in the event Lessee determines in good faith that it can obtain a higher price at a market located outside of the local market, and Lessee incurs transportation costs charged by an unaffiliated interstate or intrastate gas pipeline in order to enhance the value of the oil, gas or other products, Lessor's pro rata share of such costs may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than the price received by Lessee.
- Assignment. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. In the event of an assignment of any portion of Lessee's interest hereunder, with the exception of assignments being made to officers, directors, and/or subsidiaries of Lessee, Lessee shall deliver to Lessor a copy of the recorded document regarding the interest so assigned. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this Lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this Lease then held by each.
- 5. <u>Waiver of Surface Use</u>; <u>Water</u>; <u>Seismic Operations</u>. Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (except for geophysical/seismic operations as stated below) on the leased premises. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, and lands pooled therewith, or otherwise.

Lessee shall not have or acquire any rights in and to the water from the leased premises. No surface water or underground fresh water from the leased premises will be used for any reason,

including water flood or pressure maintenance purposes. Lessee shall comply with all applicable rules in disposition of salt water, brine, or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder. The leased premises shall not be used for salt water disposal.

As provided above, Lessee shall have the right to conduct geophysical/seismic operations, but only by utilizing the vibroseis method, and Lessee shall pay for all actual damages incurred to the leased premises, which directly result from geophysical seismic operations.

Nothing in this Lease shall be interpreted as a waiver by Lessor of any setback or other requirements under the drilling or other applicable ordinances of the Cities of Burleson and/or Ft. Worth or the counties of Johnson and/or Tarrant.

- 6. <u>Noise.</u> Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonable available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drill sites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric-powered equipment in its operations, including but not limited to compression equipment, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment.
- Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules regulations and orders of the Cities of Burleson/Ft. Worth and any other governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of such prevention or delay, and at Lessee's option, the period o such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, production or other operations are so prevented, delayed or interrupted. Lessee shall take all reasonable actions to remove or end any cause of Force Majeure for a period of more than eighteen (18) months or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure.
- 8. <u>Indemnity.</u> LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES AND DEMANDS FOR DAMAGE TO PROPERTY, PERSONAL INJURY OR DEATH, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, EXPERT FEES AND COURT COSTS, ARISING DIRECTLY OR INDIRECTLY FROM ACTIONS, INACTIONS OR OCCUPANCY OF THE LEASE PREMISES OR LANDS POOLED THEREWITH OF AND BY LESSEE OR ITS ASSIGNS OR THE AGENTS, EMPLOYEES, CONTRACTORS OR INVITEES OF EITHER OF THEM.
- 9. Notices; Right to Cure. All notices required or contemplated by this Lease shall be provided in writing to the individual Lessees. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated. No litigation shall be initiated by Lessor with respect to any breach of default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this Lease shall not be forfeited or canceled in whole or part unless Lessee is given a reasonable time (not to exceed 90 days) after said judicial determination to remedy the breach or default and Lessee fails to do so.

Waiver of Claims and Neighborhood Association and Committee Members. Lessor acknowledges that the terms of this Lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this Lease, were obtained as a result of negotiations between Lessee and the Community consisting of a committee of unpaid volunteers hereafter known as Committee Members. In consideration of the efforts spent by Committee Members in negotiating and obtaining the Negotiated Terms on behalf of Lessor and other property owners, Lessor, on behalf of the Lessor and the Lessor's agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, employees, heirs, consultants, and other representatives, does hereby release and forever discharge Committee Members, from any and all claims, demand, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recover, whether known or unknown, past present, or future, which Lessor has, has had, or claims to have against the Committee Members.

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Daniel Lombardo

Kirsten Lombardo



DEVON ENERGY PRODUCTION CO P O BOX 450

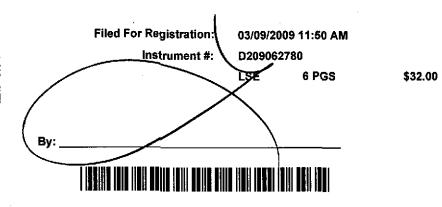
DECATUR

TX 76234

Submitter: DEVON

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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